GOVERNMENT OF INDIA
PANCHAYATI RAJ
LOK SABHA

UNSTARRED QUESTION NO:1878
ANSWERED ON:28.07.2016
Source of Income of Panchayats
Kumar Shri P.

Will the Minister of PANCHAYATI RAJ be pleased to state:

a) whether there is any proposal to increase the sources of income of the village Panchayats along with the measures to strengthen the Panchayati Raj Institutions (PRIs); and

b) whether Government is aware of the fact that rural development has been affected after implementation of MGNREGA and if so, the details thereof and the manner in which PRIs would be strengthened?

Answer

(a): Article 243H of the Constitution bestows upon the Legislature of the State the powers to authorize a Panchayat to levy, collect and appropriate taxes, duties, tolls and fees in accordance with such procedure and limits as may be specified in law. Under the Fourteenth Finance Commission award, grants to the tune of Rs. 2,00,292.20 crore have been devolved to the Gram Panchayats (GPs) for the period 2015-20 to ensure stable flow of funds at regular intervals to augment their resources to provide basis services as devolved.

(b): The objective of Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is to bring about overall improvement in the quality of life in rural areas through guaranteed employment generation and development of rural infrastructure. The scheme has reduced rural distress migration among rural poor; smoothened rural consumption in the lean season; set high standards in transparency; addressed under−employment problem; created assets that improved livelihoods; gave boost to the financial inclusion; strengthened GPs; improved the wage levels in rural areas; set standards for decent working conditions; and helped in bringing fallow lands into cultivation.

Panchayats have been given a pivotal role in the planning and implementation of projects under MGNREGS. The Act provides that GPs shall be responsible for identification of projects to be taken up under the scheme as per the recommendations of the Gram Sabha and Ward Sabhas and the Panchayats at district, intermediate and village levels shall be the principal authorities for planning and implementation of the projects made under the scheme. Major steps taken by the Government to improve the programme implementation under MGNREGS are given at Annexe.

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